

# Public Employee Retirement System

<b>DIVISION SUMMARY:</b>	<b>FY 2003 Total Appr</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Total Appr</b>	<b>FY 2005 Request</b>	<b>FY 2005 Gov Rec</b>	<b>FY 2005 Approp</b>
<b>BY PROGRAM</b>						
Administration	5,461,600	4,575,200	5,417,000	8,360,900	8,338,000	8,338,000
Portfolio Investment	628,900	464,200	636,400	647,100	646,500	646,500
401(k) Administration	7,700	5,200	0	0	0	0
Total:	6,098,200	5,044,600	6,053,400	9,008,000	8,984,500	8,984,500
<b>BY FUND SOURCE</b>						
Dedicated	6,098,200	5,044,600	6,053,400	9,008,000	8,984,500	8,984,500
Percent Change:		(17.3%)	20.0%	48.8%	48.4%	48.4%
<b>BY EXPENDITURE CLASSIFICATION</b>						
Personnel Costs	3,160,300	2,916,500	3,214,200	3,310,600	3,338,600	3,338,600
Operating Expenditures	2,823,400	2,036,100	2,724,100	5,508,200	5,456,700	5,456,700
Capital Outlay	114,500	92,000	115,100	189,200	189,200	189,200
Total:	6,098,200	5,044,600	6,053,400	9,008,000	8,984,500	8,984,500
Full-Time Positions (FTP)	63.00	63.00	63.00	63.00	63.00	63.00

In accordance with Idaho Code §67-3519, this division is authorized no more than 63.00 full-time equivalent positions at any point during the period July 1, 2004 through June 30, 2005 for the programs specified.

	<b>FTP</b>	<b>Gen</b>	<b>Ded</b>	<b>Fed</b>	<b>Total</b>
<b>FY 2004 Original Appropriation</b>	<b>63.00</b>	<b>0</b>	<b>6,053,400</b>	<b>0</b>	<b>6,053,400</b>
Removal of One-Time Expenditures	0.00	0	(130,100)	0	(130,100)
<b>FY 2005 Base</b>	<b>63.00</b>	<b>0</b>	<b>5,923,300</b>	<b>0</b>	<b>5,923,300</b>
Personnel Cost Rollups	0.00	0	69,100	0	69,100
Inflationary Adjustments	0.00	0	0	0	0
Replacement Items	0.00	0	119,200	0	119,200
Nonstandard Adjustments	0.00	0	(32,700)	0	(32,700)
Change in Employee Compensation	0.00	0	55,300	0	55,300
<b>FY 2005 Program Maintenance</b>	<b>63.00</b>	<b>0</b>	<b>6,134,200</b>	<b>0</b>	<b>6,134,200</b>
Enhancements	0.00	0	2,850,300	0	2,850,300
<b>FY 2005 Total</b>	<b>63.00</b>	<b>0</b>	<b>8,984,500</b>	<b>0</b>	<b>8,984,500</b>
Chg from FY 2004 Orig Approp.	0.00	0	2,931,100	0	2,931,100
% Chg from FY 2004 Orig Approp.	0.0%		48.4%		48.4%

# I. Public Employee Retirement System: Retirement Administration

STARS Number & Budget Unit: 183 GVFA

Bill Number & Chapter: H732 (Ch.36), H805 (Ch.282)

PROGRAM DESCRIPTION: The Public Employee Retirement System of Idaho (PERSI) administers a defined benefit retirement plan that is mandatory for all eligible state employees, school district employees, and for employees of political subdivisions which have elected to participate. PERSI also administers a defined contribution plan that provides a 401(k) plan to all members who are eligible. In years which investment earnings and total defined benefit plan assets sufficiently exceed one standard deviation reserve, the PERSI board may declare a portion of the excess earnings as gain sharing. [Statutory Authority: Idaho Code §59-1301 et seq.]

<b>PROGRAM SUMMARY:</b>	<b>FY 2003 Total Appr</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Total Appr</b>	<b>FY 2005 Request</b>	<b>FY 2005 Gov Rec</b>	<b>FY 2005 Approp</b>
<b>BY FUND SOURCE</b>						
Dedicated	5,461,600	4,575,200	5,417,000	8,360,900	8,338,000	8,338,000
Percent Change:		(16.2%)	18.4%	54.3%	53.9%	53.9%
<b>BY EXPENDITURE CLASSIFICATION</b>						
Personnel Costs	2,747,000	2,589,100	2,797,300	2,885,200	2,909,900	2,909,900
Operating Expenditures	2,614,600	1,907,000	2,520,100	5,302,000	5,254,400	5,254,400
Capital Outlay	100,000	79,100	99,600	173,700	173,700	173,700
Total:	5,461,600	4,575,200	5,417,000	8,360,900	8,338,000	8,338,000
Full-Time Positions (FTP)	59.00	59.00	59.00	59.00	59.00	59.00
<b>DECISION UNIT SUMMARY:</b>	<b>FTP</b>	<b>General</b>	<b>Dedicated</b>	<b>Federal</b>	<b>Total</b>	
<b>FY 2004 Original Appropriation</b>	<b>59.00</b>	<b>0</b>	<b>5,417,000</b>	<b>0</b>	<b>5,417,000</b>	
Removal of One-Time Expenditures	0.00	0	(114,600)	0	(114,600)	
<b>FY 2005 Base</b>	<b>59.00</b>	<b>0</b>	<b>5,302,400</b>	<b>0</b>	<b>5,302,400</b>	
Personnel Cost Rollups	0.00	0	63,800	0	63,800	
Replacement Items	0.00	0	103,700	0	103,700	
Nonstandard Adjustments	0.00	0	(31,000)	0	(31,000)	
Change in Employee Compensation	0.00	0	48,800	0	48,800	
<b>FY 2005 Maintenance (MCO)</b>	<b>59.00</b>	<b>0</b>	<b>5,487,700</b>	<b>0</b>	<b>5,487,700</b>	
1. Business Process Reengineering	0.00	0	2,850,300	0	2,850,300	
<b>FY 2005 Total Appropriation</b>	<b>59.00</b>	<b>0</b>	<b>8,338,000</b>	<b>0</b>	<b>8,338,000</b>	
Change From FY 2004 Original Approp.	0.00	0	2,921,000	0	2,921,000	
% Change From FY 2004 Original Approp.	0.0%		53.9%		53.9%	

APPROPRIATION HIGHLIGHTS: Personnel benefit costs were funded. No inflationary increases were funded. One-time replacement items include \$10,000 in operating expenses (software upgrades) and \$93,700 in capital outlay (\$43,200 for 27 PCs, \$6,900 for 3 laptops, \$33,000 for 5 servers, \$900 for two office chairs, \$900 for 1 desk, \$5,400 for 3 printers, and \$3,400 for 2 fax machines). Nonstandard adjustments reflect changes in Attorney General, Controller and Treasurer fees, and risk management rates. A 2% Change in Employee Compensation (CEC) increase was fully funded, with an additional one-time 1% CEC contingent upon a prescribed ending balance in the General Fund at the end of fiscal year 2004 (H805). One enhancement was funded totaling \$2,850,300 for a Business Process Reengineering project which will be comprised of the following:

- Reviewing and enhancing information systems to facilitate efficient workflow.
- Examining each business process to determine best organization and use of technology.
- Replacing current microfilm jacket system with digital imaging system.

This project will span over three fiscal years, with out-year project expenses handled through the statutory encumbrance process.

<b>FY 2005 APPROPRIATION:</b>	<b>FTP</b>	<b>Pers. Cost</b>	<b>Oper Exp</b>	<b>Cap Out</b>	<b>T/B Pymnts</b>	<b>Lump Sum</b>	<b>Total</b>
D 0550-01 PERSI Administrative	59.00	2,909,900	2,474,100	0	0	0	5,384,000
OT D 0550-01 PERSI Administrative	0.00	0	2,780,300	173,700	0	0	2,954,000
Totals:	59.00	2,909,900	5,254,400	173,700	0	0	8,338,000

## II. Public Employee Retirement System: Portfolio Investment

**STARS Number & Budget Unit:** 183 GVFB, 183 GVFC(Cont), 183 GVFD(Cont)

**Bill Number & Chapter:** H732 (Ch.36), H805 (Ch.282)

PROGRAM DESCRIPTION: The Portfolio Investment program manages PERSI assets to realize secure long-term returns on investments while minimizing risk with a goal of providing the funds necessary to meet retirement plan obligations. Since FY 1996, the administrative costs of the Portfolio Investment Program have been appropriated annually, while the remaining investment costs operate under a continuous appropriation. [Statutory Authority: Idaho Code §59-1301 et seq.]

<b>PROGRAM SUMMARY:</b>	<b>FY 2003 Total Appr</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Total Appr</b>	<b>FY 2005 Request</b>	<b>FY 2005 Gov Rec</b>	<b>FY 2005 Approp</b>
<b>BY FUND SOURCE</b>						
Dedicated	628,900	464,200	636,400	647,100	646,500	646,500
Percent Change:		(26.2%)	37.1%	1.7%	1.6%	1.6%
<b>BY EXPENDITURE CLASSIFICATION</b>						
Personnel Costs	413,300	327,400	416,900	425,400	428,700	428,700
Operating Expenditures	201,100	123,900	204,000	206,200	202,300	202,300
Capital Outlay	14,500	12,900	15,500	15,500	15,500	15,500
Total:	628,900	464,200	636,400	647,100	646,500	646,500
Full-Time Positions (FTP)	4.00	4.00	4.00	4.00	4.00	4.00
<b>DECISION UNIT SUMMARY:</b>	<b>FTP</b>	<b>General</b>	<b>Dedicated</b>	<b>Federal</b>	<b>Total</b>	
<b>FY 2004 Original Appropriation</b>	<b>4.00</b>	<b>0</b>	<b>636,400</b>	<b>0</b>	<b>636,400</b>	
Removal of One-Time Expenditures	0.00	0	(15,500)	0	(15,500)	
<b>FY 2005 Base</b>	<b>4.00</b>	<b>0</b>	<b>620,900</b>	<b>0</b>	<b>620,900</b>	
Personnel Cost Rollups	0.00	0	5,300	0	5,300	
Replacement Items	0.00	0	15,500	0	15,500	
Nonstandard Adjustments	0.00	0	(1,700)	0	(1,700)	
Change in Employee Compensation	0.00	0	6,500	0	6,500	
<b>FY 2005 Total Appropriation</b>	<b>4.00</b>	<b>0</b>	<b>646,500</b>	<b>0</b>	<b>646,500</b>	
Change From FY 2004 Original Approp.	0.00	0	10,100	0	10,100	
% Change From FY 2004 Original Approp.	0.0%		1.6%		1.6%	

APPROPRIATION HIGHLIGHTS: Personnel benefit costs were funded. No inflationary increases were funded. One-time replacement items included \$15,500 in capital outlay (\$7,500 for 3 PCs and \$8,000 for a color laser printer). Nonstandard adjustments reflect changes in Attorney General fees. A 2% Change in Employee Compensation (CEC) increase was fully funded, with an additional one-time 1% CEC contingent upon a prescribed ending balance in the General Fund at the end of fiscal year 2004 (H805).

<b>FY 2005 APPROPRIATION:</b>	<b>FTP</b>	<b>Pers. Cost</b>	<b>Oper Exp</b>	<b>Cap Out</b>	<b>T/B Pymnts</b>	<b>Lump Sum</b>	<b>Total</b>
D 0550-02 PERSI Special	4.00	428,700	202,300	0	0	0	631,000
OT D 0550-02 PERSI Special	0.00	0	0	15,500	0	0	15,500
Totals:	4.00	428,700	202,300	15,500	0	0	646,500

### III. Public Employee Retirement System: 401(k) Administration

STARS Number & Budget Unit: 183 GVFE

PROGRAM DESCRIPTION: During FY 1995 the Public Employee Retirement System of Idaho (PERSI) began administering a 401(k) program for employees of the Department of Health and Welfare and the Department of Lands. Legislation enacted in the 1995 session allowed PERSI to expand the offering of a 401(k) program to all state employees beginning in FY 1996. This 401(k) program provided a voluntary retirement savings plan for all state employees. This plan was merged with the PERSI Choice Plan effective October 1, 2001.

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<b>BY FUND SOURCE</b>						
Dedicated	7,700	5,200	0	0	0	0
Percent Change:		(32.5%)	(100.0%)			
<b>BY EXPENDITURE CLASSIFICATION</b>						
Operating Expenditures	7,700	5,200	0	0	0	0